

Bundesverband der Wertpapierfirmen an den deutschen Börsen e.V.
Börsenstraße 14, D-60313 Frankfurt am Main

European Commission

Internal Market and Services DG
Financial Services Policy and
Financial Markets

Mail: Markt-G3@cec.eu.int

your reference
2005/11174rev1

your message dated

city_date
Frankfurt/Main, 13.09.2005

Best Execution – relative importance of factors
[Working Document ESC/23/2005 – Rev1 – Corrected Version 9.9.05, Article 17]

Dear Sir, Dear Madam,

The *Bundesverband der Wertpapierfirmen an den deutschen Börsen e.V.* (bwf) is a federal association representing securities trading firms and brokers at the stock markets throughout Germany.

In the course of the discussion concerning possible implementation measures regarding the “*Best Execution*” provisions stipulated by article 21 of the *Markets in Financial Instruments Directive* (MiFID) we would like to express our explicit consent with the European Commission’s attempt to define the “*total consideration*” as the most important factor when an investment firm executes a market order on behalf of a retail client, as laid down in article 17 paragraph 2 of the working document.

In our view, the accentuation of one proper factor could indeed help retail investors to make the otherwise from their perspective rather complex and undetermined concept of “*Best Execution*” more tangible and practical. As a result the proposed focus could help to increase the over all transparency for this group of investors when comparing alternative trading venues and consequently could increase the level of fair competition between RMs, MTFs and investment firms alike as one of the core objectives of MiFID.

However the accessibility, comparability and high reliability of the relevant data relating to the cost and overall quality of execution of transactions on different and competing trading venues - not only for professional market participants but also for the ordinary retail investor - will be a vital precondition for the efficiency of the provision mentioned above as well as for the workability of the concept of “*Best Execution*” as a whole. The bwf therefore clearly supports the approach of

Bundesverband der Wertpapierfirmen an den deutschen Börsen e.V.

*Federal Association of Securities Trading
Firms at the German Stock Markets –
a registered association*

Registered Seat
Fasanenstraße 3
D-10623 Berlin

Postal Address & Office
Börsenstraße 14
D-60313 Frankfurt/Main

Tel.: +49 (0) 69 92 10 16 91
Fax: +49 (0) 69 92 10 16 92
mail@bwf-verband.de
www.bwf-verband.de

Managing Board
Claus-Jürgen Diederich (chairman)
Dr. Jörg Franke
Dirk Freitag
Bernd Gegenheimer
Kai Jordan
Peter Koch
Klaus Mathis
Ralf Nachbauer
Michael Wilhelm

Secretary General
Michael H. Sterzenbach
m.sterzenbach@bwf-verband.de

Legal Adviser
Dr. Hans Mewes
Herrengaben 31, D-20459 Hamburg
Tel.: +49 (0) 40 36 80 5 -132
Fax: +49 (0) 40 36 28 96
h.mewes@bwf-verband.de

Banking-Account
Deutsche Bank PGK Frankfurt
Swift: DEUTDEFFXXX / DEUTDEBFRA
Bank Code: 500 700 24
Account: 0 18 32 10 00

standardisation of content and format of information as laid down in article 17 paragraph 3 of the working document.

In order to obtain a consistent standard across Europe, it appears appropriate to assign the task of defining the necessary content and the functional format of information as proposed to the *Committee of European Securities Regulators*. However, in accordance with the well established practice concerning the over all preparation of MiFID implementation measures, it should be assured that the views of the industry on this important issue will be heard in advance and will be considered adequately.

Yours faithfully,

Michael H. Sterzenbach
Secretary General